

110TH CONGRESS
1ST SESSION

H. R. 689

To amend the Congressional Budget and Impoundment Control Act of 1974 to provide for the expedited consideration of certain proposed rescissions of budget authority.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 24, 2007

Mr. RYAN of Wisconsin (for himself, Mr. UDALL of Colorado, Mr. MATHESON, Mr. BOEHNER, Mr. HENSARLING, Mr. GARRETT of New Jersey, Mr. ENGLISH of Pennsylvania, Mr. CHABOT, Mr. CAMPBELL of California, Mr. BARRETT of South Carolina, Mr. KING of Iowa, Mr. BLUNT, Mr. GINGREY, Mr. KUHL of New York, Mr. PUTNAM, Mrs. MUSGRAVE, Mr. SENSENBRENNER, Mr. WILSON of South Carolina, Mr. DREIER, Mr. JORDAN of Ohio, Mr. SMITH of Nebraska, Mr. NORWOOD, Mr. FLAKE, Mr. McCOTTER, Mr. WELDON of Florida, Mr. CRENSHAW, Ms. FOXX, Mr. MARIO DIAZ-BALART of Florida, Mr. INGLIS of South Carolina, Mr. RAMSTAD, Mr. PITTS, Mr. FRANKS of Arizona, Mr. KIRK, Mr. MACK, Mr. ROYCE, Mr. TERRY, Mr. WELLER of Illinois, Mr. MILLER of Florida, Mr. DAVIS of Kentucky, Mrs. BONO, Mr. GILLMOR, Mr. HASTINGS of Washington, Mr. JINDAL, Mr. AKIN, Mrs. MYRICK, Mr. SHADEGG, Mrs. BLACKBURN, Mr. HERGER, Mr. ISSA, Mr. CANNON, Mr. BRADY of Texas, Mr. SESSIONS, Mr. PENCE, Mr. FEENEY, Mr. CONAWAY, Mr. HOEKSTRA, Mr. KINGSTON, Mrs. SCHMIDT, Mr. NEUGEBAUER, Mrs. DRAKE, Mr. GERLACH, Mr. MCHENRY, Mr. SHAYS, Mr. PLATTS, Mr. FORTENBERRY, Mr. PRICE of Georgia, Mr. CASTLE, Mr. TIAHRT, Mr. BURTON of Indiana, Mr. RADANOVICH, Mrs. BACHMANN, Mr. WALBERG, Mrs. MCMORRIS RODGERS, Mr. ROSKAM, Mr. COBLE, Mr. RENZI, Mr. COOPER, Mr. BILIRAKIS, Mr. MCCAUL of Texas, Mr. GOODLATTE, Mr. UPTON, Mr. REICHERT, and Mr. FERGUSON) introduced the following bill; which was referred to the Committee on the Budget, and in addition to the Committee on Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Congressional Budget and Impoundment Control Act of 1974 to provide for the expedited consideration of certain proposed rescissions of budget authority.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Legislative Line Item Veto Act of 2007”.

SEC. 2. LEGISLATIVE LINE ITEM VETO.

(a) IN GENERAL.—Title X of the Congressional Budget and Impoundment Control Act of 1974 (2 U.S.C. 621 et seq.) is amended by striking all of part B (except for sections 1016 and 1013, which are redesignated as sections 1019 and 1020, respectively) and part C and inserting the following:

“PART B—LEGISLATIVE LINE-ITEM VETO

“LINE ITEM VETO AUTHORITY

“SEC. 1011. (a) PROPOSED CANCELLATIONS.—Within 45 calendar days after the enactment of any bill or joint resolution providing any discretionary budget authority, item of direct spending, limited tariff benefit, or targeted tax benefit, the President may propose, in the manner provided in subsection (b), the cancellation of any dollar amount of such discretionary budget authority, item of di-

1 rect spending, or targeted tax benefit. If the 45 calendar-
 2 day period expires during a period where either House of
 3 Congress stands adjourned sine die at the end of a Con-
 4 gress or for a period greater than 45 calendar days, the
 5 President may propose a cancellation under this section
 6 and transmit a special message under subsection (b) on
 7 the first calendar day of session following such a period
 8 of adjournment.

9 “(b) TRANSMITTAL OF SPECIAL MESSAGE.—

10 “(1) SPECIAL MESSAGE.—

11 “(A) IN GENERAL.—The President may
 12 transmit to the Congress a special message pro-
 13 posing to cancel any dollar amounts of discre-
 14 tionary budget authority, items of direct spend-
 15 ing, limited tariff benefits, or targeted tax bene-
 16 fits.

17 “(B) CONTENTS OF SPECIAL MESSAGE.—

18 Each special message shall specify, with respect
 19 to the discretionary budget authority, items of
 20 direct spending proposed, limited tariff benefits,
 21 or targeted tax benefits to be canceled—

22 “(i) the dollar amount of discretionary
 23 budget authority, the specific item of direct
 24 spending (that OMB, after consultation
 25 with CBO, estimates to increase budget

1 authority or outlays as required by section
2 1017(9)), the limited tariff benefit, or the
3 targeted tax benefit that the President pro-
4 poses be canceled;

5 “(ii) any account, department, or es-
6 tablishment of the Government to which
7 such discretionary budget authority is
8 available for obligation, and the specific
9 project or governmental functions involved;

10 “(iii) the reasons why such discre-
11 tionary budget authority, item of direct
12 spending, limited tariff benefit, or targeted
13 tax benefit should be canceled;

14 “(iv) to the maximum extent prac-
15 ticable, the estimated fiscal, economic, and
16 budgetary effect (including the effect on
17 outlays and receipts in each fiscal year) of
18 the proposed cancellation;

19 “(v) to the maximum extent prac-
20 ticable, all facts, circumstances, and con-
21 siderations relating to or bearing upon the
22 proposed cancellation and the decision to
23 propose the cancellation, and the estimated
24 effect of the proposed cancellation upon
25 the objects, purposes, or programs for

1 which the discretionary budget authority,
2 item of direct spending, limited tariff ben-
3 efit, or the targeted tax benefit is provided;

4 “(vi) a numbered list of cancellations
5 to be included in an approval bill that, if
6 enacted, would cancel discretionary budget
7 authority, items of direct spending, limited
8 tariff benefit, or targeted tax benefits pro-
9 posed in that special message; and

10 “(vii) if the special message is trans-
11 mitted subsequent to or at the same time
12 as another special message, a detailed ex-
13 planation why the proposed cancellations
14 are not substantially similar to any other
15 proposed cancellation in such other mes-
16 sage.

17 “(C) DUPLICATIVE PROPOSALS PROHIB-
18 ITED.—The President may not propose to can-
19 cel the same or substantially similar discre-
20 tionary budget authority, item of direct spend-
21 ing, limited tariff benefit, or targeted tax ben-
22 efit more than one time under this Act.

23 “(D) MAXIMUM NUMBER OF SPECIAL MES-
24 SAGES.—The President may not transmit to the
25 Congress more than 5 special messages under

1 this subsection related to any bill or joint reso-
2 lution described in subsection (a), but may
3 transmit not more than 10 special messages for
4 any omnibus budget reconciliation or appropria-
5 tion measure.

6 “(2) ENACTMENT OF APPROVAL BILL.—

7 “(A) DEFICIT REDUCTION.—Amounts of
8 budget authority, items of direct spending, lim-
9 ited tariff benefit, or targeted tax benefits
10 which are canceled pursuant to enactment of a
11 bill as provided under this section shall be dedi-
12 cated only to reducing the deficit or increasing
13 the surplus.

14 “(B) ADJUSTMENT OF LEVELS IN THE
15 CONCURRENT RESOLUTION ON THE BUDGET.—

16 Not later than 5 days after the date of enact-
17 ment of an approval bill as provided under this
18 section, the chairs of the Committees on the
19 Budget of the Senate and the House of Rep-
20 resentatives shall revise allocations and aggre-
21 gates and other appropriate levels under the ap-
22 propriate concurrent resolution on the budget to
23 reflect the cancellation, and the applicable com-
24 mittees shall report revised suballocations pur-
25 suant to section 302(b), as appropriate.

1 “(C) ADJUSTMENTS TO STATUTORY LIM-
 2 ITS.—After enactment of an approval bill as
 3 provided under this section, the Office of Man-
 4 agement and Budget shall revise applicable lim-
 5 its under the Balanced Budget and Emergency
 6 Deficit Control Act of 1985, as appropriate.

7 “(D) TRUST FUNDS AND SPECIAL
 8 FUNDS.—Notwithstanding subparagraph (A),
 9 nothing in this part shall be construed to re-
 10 quire or allow the deposit of amounts derived
 11 from a trust fund or special fund which are
 12 canceled pursuant to enactment of a bill as pro-
 13 vided under this section to any other fund.

14 “PROCEDURES FOR EXPEDITED CONSIDERATION

15 “SEC. 1012. (a) EXPEDITED CONSIDERATION.—

16 “(1) IN GENERAL.—The majority leader or mi-
 17 nority leader of each House or his designee shall (by
 18 request) introduce an approval bill as defined in sec-
 19 tion 1017 not later than the third day of session of
 20 that House after the date of receipt of a special mes-
 21 sage transmitted to the Congress under section
 22 1011(b). If the bill is not introduced as provided in
 23 the preceding sentence in either House, then, on the
 24 fourth day of session of that House after the date
 25 of receipt of the special message, any Member of
 26 that House may introduce the bill.

1 “(2) CONSIDERATION IN THE HOUSE OF REP-
2 RESENTATIVES.—

3 “(A) REFERRAL AND REPORTING.—Any
4 committee of the House of Representatives to
5 which an approval bill is referred shall report it
6 to the House without amendment not later than
7 the seventh legislative day after the date of its
8 introduction. If a committee fails to report the
9 bill within that period or the House has adopt-
10 ed a concurrent resolution providing for ad-
11 journment sine die at the end of a Congress,
12 such committee shall be automatically dis-
13 charged from further consideration of the bill
14 and it shall be placed on the appropriate cal-
15 endar.

16 “(B) PROCEEDING TO CONSIDERATION.—
17 After an approval bill is reported by or dis-
18 charged from committee or the House has
19 adopted a concurrent resolution providing for
20 adjournment sine die at the end of a Congress,
21 it shall be in order to move to proceed to con-
22 sider the approval bill in the House. Such a mo-
23 tion shall be in order only at a time designated
24 by the Speaker in the legislative schedule within
25 two legislative days after the day on which the

1 proponent announces his intention to offer the
2 motion. Such a motion shall not be in order
3 after the House has disposed of a motion to
4 proceed with respect to that special message.
5 The previous question shall be considered as or-
6 dered on the motion to its adoption without in-
7 tervening motion. A motion to reconsider the
8 vote by which the motion is disposed of shall
9 not be in order.

10 “(C) CONSIDERATION.—The approval bill
11 shall be considered as read. All points of order
12 against an approval bill and against its consid-
13 eration are waived. The previous question shall
14 be considered as ordered on an approval bill to
15 its passage without intervening motion except
16 five hours of debate equally divided and con-
17 trolled by the proponent and an opponent and
18 one motion to limit debate on the bill. A motion
19 to reconsider the vote on passage of the bill
20 shall not be in order.

21 “(D) SENATE BILL.—An approval bill re-
22 ceived from the Senate shall not be referred to
23 committee.

24 “(3) CONSIDERATION IN THE SENATE.—

1 “(A) MOTION TO PROCEED TO CONSIDER-
2 ATION.—A motion to proceed to the consider-
3 ation of a bill under this subsection in the Sen-
4 ate shall not be debatable. It shall not be in
5 order to move to reconsider the vote by which
6 the motion to proceed is agreed to or disagreed
7 to.

8 “(B) LIMITS ON DEBATE.—Debate in the
9 Senate on a bill under this subsection, and all
10 debatable motions and appeals in connection
11 therewith (including debate pursuant to sub-
12 paragraph (D)), shall not exceed 10 hours,
13 equally divided and controlled in the usual
14 form.

15 “(C) APPEALS.—Debate in the Senate on
16 any debatable motion or appeal in connection
17 with a bill under this subsection shall be limited
18 to not more than 1 hour, to be equally divided
19 and controlled in the usual form.

20 “(D) MOTION TO LIMIT DEBATE.—A mo-
21 tion in the Senate to further limit debate on a
22 bill under this subsection is not debatable.

23 “(E) MOTION TO RECOMMIT.—A motion to
24 recommit a bill under this subsection is not in
25 order.

1 “(F) CONSIDERATION OF THE HOUSE
2 BILL.—

3 “(i) IN GENERAL.—If the Senate has
4 received the House companion bill to the
5 bill introduced in the Senate prior to the
6 vote required under paragraph (1)(C), then
7 the Senate may consider, and the vote
8 under paragraph (1)(C) may occur on, the
9 House companion bill.

10 “(ii) PROCEDURE AFTER VOTE ON
11 SENATE BILL.—If the Senate votes, pursu-
12 ant to paragraph (1)(C), on the bill intro-
13 duced in the Senate, then immediately fol-
14 lowing that vote, or upon receipt of the
15 House companion bill, the House bill shall
16 be deemed to be considered, read the third
17 time, and the vote on passage of the Sen-
18 ate bill shall be considered to be the vote
19 on the bill received from the House.

20 “(b) AMENDMENTS PROHIBITED.—No amendment
21 to, or motion to strike a provision from, a bill considered
22 under this section shall be in order in either the Senate
23 or the House of Representatives.

1 “PRESIDENTIAL DEFERRAL AUTHORITY

2 “SEC. 1013. (a) TEMPORARY PRESIDENTIAL AU-
3 THORITY TO WITHHOLD DISCRETIONARY BUDGET AU-
4 THORITY.—

5 “(1) IN GENERAL.—At the same time as the
6 President transmits to the Congress a special mes-
7 sage pursuant to section 1011(b), the President may
8 direct that any dollar amount of discretionary budg-
9 et authority to be canceled in that special message
10 shall not be made available for obligation for a pe-
11 riod not to exceed 45 calendar days from the date
12 the President transmits the special message to the
13 Congress.

14 “(2) EARLY AVAILABILITY.—The President
15 shall make any dollar amount of discretionary budg-
16 et authority deferred pursuant to paragraph (1)
17 available at a time earlier than the time specified by
18 the President if the President determines that con-
19 tinuation of the deferral would not further the pur-
20 poses of this Act.

21 “(b) TEMPORARY PRESIDENTIAL AUTHORITY TO
22 SUSPEND DIRECT SPENDING.—

23 “(1) IN GENERAL.—At the same time as the
24 President transmits to the Congress a special mes-
25 sage pursuant to section 1011(b), the President may

1 suspend the implementation of any item of direct
2 spending proposed to be canceled in that special
3 message for a period not to exceed 45 calendar days
4 from the date the President transmits the special
5 message to the Congress.

6 “(2) EARLY AVAILABILITY.—The President
7 shall terminate the suspension of any item of direct
8 spending at a time earlier than the time specified by
9 the President if the President determines that con-
10 tinuation of the suspension would not further the
11 purposes of this Act.

12 “(c) TEMPORARY PRESIDENTIAL AUTHORITY TO
13 SUSPEND A LIMITED TARIFF BENEFIT.—

14 “(1) IN GENERAL.—At the same time as the
15 President transmits to the Congress a special mes-
16 sage pursuant to section 1011(b), the President may
17 suspend the implementation of any limited tariff
18 benefit proposed to be canceled in that special mes-
19 sage for a period not to exceed 45 calendar days
20 from the date the President transmits the special
21 message to the Congress.

22 “(2) EARLY AVAILABILITY.—The President
23 shall terminate the suspension of any limited tariff
24 benefit at a time earlier than the time specified by
25 the President if the President determines that con-

1 tinuation of the suspension would not further the
2 purposes of this Act.

3 “(d) TEMPORARY PRESIDENTIAL AUTHORITY TO
4 SUSPEND A TARGETED TAX BENEFIT.—

5 “(1) IN GENERAL.—At the same time as the
6 President transmits to the Congress a special mes-
7 sage pursuant to section 1011(b), the President may
8 suspend the implementation of any targeted tax ben-
9 efit proposed to be repealed in that special message
10 for a period not to exceed 45 calendar days from the
11 date the President transmits the special message to
12 the Congress.

13 “(2) EARLY AVAILABILITY.—The President
14 shall terminate the suspension of any targeted tax
15 benefit at a time earlier than the time specified by
16 the President if the President determines that con-
17 tinuation of the suspension would not further the
18 purposes of this Act.

19 “(e) EXTENSION OF 45-DAY PERIOD.—The Presi-
20 dent may transmit to the Congress not more than one sup-
21 plemental special message to extend the period to suspend
22 the implementation of any discretionary budget authority,
23 item of direct spending, limited tariff benefit, or targeted
24 tax benefit, as applicable, by an additional 45 calendar
25 days. Any such supplemental message may not be trans-

mitted to the Congress before the 40th day of the 45-day period set forth in the preceding message or later than the last day of such period.

“IDENTIFICATION OF TARGETED TAX BENEFITS

“SEC. 1014. (a) STATEMENT.—The chairman of the Committee on Ways and Means of the House of Representatives and the chairman of the Committee on Finance of the Senate acting jointly (hereafter in this subsection referred to as the ‘chairmen’) shall review any revenue or reconciliation bill or joint resolution which includes any amendment to the Internal Revenue Code of 1986 that is being prepared for filing by a committee of conference of the two Houses, and shall identify whether such bill or joint resolution contains any targeted tax benefits. The chairmen shall provide to the committee of conference a statement identifying any such targeted tax benefits or declaring that the bill or joint resolution does not contain any targeted tax benefits. Any such statement shall be made available to any Member of Congress by the chairmen immediately upon request.

“(b) STATEMENT INCLUDED IN LEGISLATION.—

“(1) IN GENERAL.—Notwithstanding any other rule of the House of Representatives or any rule or precedent of the Senate, any revenue or reconciliation bill or joint resolution which includes any amendment to the Internal Revenue Code of 1986

1 reported by a committee of conference of the two
 2 Houses may include, as a separate section of such
 3 bill or joint resolution, the information contained in
 4 the statement of the chairmen, but only in the man-
 5 ner set forth in paragraph (2).

6 “(2) APPLICABILITY.—The separate section
 7 permitted under subparagraph (A) shall read as fol-
 8 lows: ‘Section 1021 of the Congressional Budget and
 9 Impoundment Control Act of 1974 shall
 10 _____ apply to _____.’, with
 11 the blank spaces being filled in with—

12 “(A) in any case in which the chairmen
 13 identify targeted tax benefits in the statement
 14 required under subsection (a), the word ‘only’
 15 in the first blank space and a list of all of the
 16 specific provisions of the bill or joint resolution
 17 in the second blank space; or

18 “(B) in any case in which the chairmen de-
 19 clare that there are no targeted tax benefits in
 20 the statement required under subsection (a),
 21 the word ‘not’ in the first blank space and the
 22 phrase ‘any provision of this Act’ in the second
 23 blank space.

24 “(c) IDENTIFICATION IN REVENUE ESTIMATE.—
 25 With respect to any revenue or reconciliation bill or joint

1 resolution with respect to which the chairmen provide a
 2 statement under subsection (a), the Joint Committee on
 3 Taxation shall—

4 “(1) in the case of a statement described in
 5 subsection (b)(2)(A), list the targeted tax benefits in
 6 any revenue estimate prepared by the Joint Com-
 7 mittee on Taxation for any conference report which
 8 accompanies such bill or joint resolution, or

9 “(2) in the case of a statement described in 13
 10 subsection (b)(2)(B), indicate in such revenue esti-
 11 mate that no provision in such bill or joint resolution
 12 has been identified as a targeted tax benefit.

13 “(d) PRESIDENT’S AUTHORITY.—If any revenue or
 14 reconciliation bill or joint resolution is signed into law—

15 “(1) with a separate section described in sub-
 16 section (b)(2), then the President may use the au-
 17 thority granted in this section only with respect to
 18 any targeted tax benefit in that law, if any, identi-
 19 fied in such separate section; or

20 “(2) without a separate section described in
 21 subsection (b)(2), then the President may use the
 22 authority granted in this section with respect to any
 23 targeted tax benefit in that law.

24 “TREATMENT OF CANCELLATIONS

25 “SEC. 1015. The cancellation of any dollar amount
 26 of discretionary budget authority, item of direct spending,

1 limited tariff benefit, or targeted tax benefit shall take ef-
2 fect only upon enactment of the applicable approval bill.
3 If an approval bill is not enacted into law before the end
4 of the applicable period under section 1013, then all pro-
5 posed cancellations contained in that bill shall be null and
6 void and any such dollar amount of discretionary budget
7 authority, item of direct spending, limited tariff benefit,
8 or targeted tax benefit shall be effective as of the original
9 date provided in the law to which the proposed cancella-
10 tions applied.

11 “REPORTS BY COMPTROLLER GENERAL

12 “SEC. 1016. With respect to each special message
13 under this part, the Comptroller General shall issue to the
14 Congress a report determining whether any discretionary
15 budget authority is not made available for obligation or
16 item of direct spending, limited tariff benefit, or targeted
17 tax benefit continues to be suspended after the deferral
18 authority set forth in section 1013 of the President has
19 expired.

20 “DEFINITIONS

21 “SEC. 1017. As used in this part:

22 “(1) APPROPRIATION LAW.—The term ‘appro-
23 priation law’ means an Act referred to in section
24 105 of title 1, United States Code, including any
25 general or special appropriation Act, or any Act
26 making supplemental, deficiency, or continuing ap-

1 appropriations, that has been signed into law pursuant
2 to Article I, section 7, of the Constitution of the
3 United States.

4 “(2) APPROVAL BILL.—The term ‘approval bill’
5 means a bill or joint resolution which only approves
6 proposed cancellations of dollar amounts of discre-
7 tionary budget authority, items of new direct spend-
8 ing, limited tariff benefits, or targeted tax benefits
9 in a special message transmitted by the President
10 under this part and—

11 “(A) the title of which is as follows: ‘A bill
12 approving the proposed cancellations trans-
13 mitted by the President on _____’, the blank
14 space being filled in with the date of trans-
15 mission of the relevant special message and the
16 public law number to which the message re-
17 lates;

18 “(B) which does not have a preamble; and

19 “(C) which provides only the following
20 after the enacting clause: ‘That the Congress
21 approves of proposed cancellations _____’, the
22 blank space being filled in with a list of the
23 cancellations contained in the President’s spe-
24 cial message, ‘as transmitted by the President
25 in a special message on _____’, the blank

1 space being filled in with the appropriate date,
2 ‘regarding _____.’, the blank space being
3 filled in with the public law number to which
4 the special message relates;

5 “(D) which only includes proposed can-
6 cellations that are estimated by CBO to meet
7 the definition of discretionary budgetary au-
8 thority or items of direct spending, or limited
9 tariff benefits, or that are identified as targeted
10 tax benefits pursuant to section 1014;

11 “(E) if any proposed cancellation other
12 than discretionary budget authority or targeted
13 tax benefits is estimated by CBO to not meet
14 the definition of item of direct spending, then
15 the approval bill shall include at the end: ‘The
16 President shall cease the suspension of the im-
17 plementation of the following under section
18 1013 of the Legislative Line Item Veto Act of
19 2006: _____’, the blank space being filled
20 in with the list of such proposed cancellations;
21 and

22 “(F) if no CBO estimate is available, then
23 the entire list of legislative provisions proposed
24 by the President is inserted in the second blank
25 space in subparagraph (C).

1 “(3) CALENDAR DAY.—The term ‘calendar day’
2 means a standard 24-hour period beginning at mid-
3 night.

4 “(4) CANCEL OR CANCELLATION.—The terms
5 ‘cancel’ or ‘cancellation’ means to prevent—

6 “(A) budget authority from having legal
7 force or effect;

8 “(B) in the case of entitlement authority,
9 to prevent the specific legal obligation of the
10 United States from having legal force or effect;

11 “(C) in the case of the food stamp pro-
12 gram, to prevent the specific provision of law
13 that provides such benefit from having legal
14 force or effect; or

15 “(D) a limited tariff benefit from having
16 legal force or effect, and to make any necessary,
17 conforming statutory change to ensure that
18 such limited tariff benefit is not implemented;
19 or

20 “(E) a targeted tax benefit from having
21 legal force or effect, and to make any necessary,
22 conforming statutory change to ensure that
23 such targeted tax benefit is not implemented
24 and that any budgetary resources are appro-
25 priately canceled.

1 “(5) CBO.—The term ‘CBO’ means the Direc-
2 tor of the Congressional Budget Office.

3 “(6) DIRECT SPENDING.—The term ‘direct
4 spending’ means—

5 “(A) budget authority provided by law
6 (other than an appropriation law);

7 “(B) entitlement authority; and

8 “(C) the food stamp program.

9 “(7) DOLLAR AMOUNT OF DISCRETIONARY
10 BUDGET AUTHORITY.—(A) Except as provided in
11 subparagraph (B), the term ‘dollar amount of dis-
12 cretionary budget authority’ means the entire dollar
13 amount of budget authority—

14 “(i) specified in an appropriation law,
15 or the entire dollar amount of budget au-
16 thority or obligation limitation required to
17 be allocated by a specific proviso in an ap-
18 propriation law for which a specific dollar
19 figure was not included;

20 “(ii) represented separately in any
21 table, chart, or explanatory text included
22 in the statement of managers or the gov-
23 erning committee report accompanying
24 such law;

1 “(iii) required to be allocated for a
2 specific program, project, or activity in a
3 law (other than an appropriation law) that
4 mandates the expenditure of budget au-
5 thority from accounts, programs, projects,
6 or activities for which budget authority is
7 provided in an appropriation law;

8 “(iv) represented by the product of
9 the estimated procurement cost and the
10 total quantity of items specified in an ap-
11 propriation law or included in the state-
12 ment of managers or the governing com-
13 mittee report accompanying such law; or

14 “(v) represented by the product of the
15 estimated procurement cost and the total
16 quantity of items required to be provided
17 in a law (other than an appropriation law)
18 that mandates the expenditure of budget
19 authority from accounts, programs,
20 projects, or activities for which budget au-
21 thority is provided in an appropriation law.

22 “(B) The term ‘dollar amount of discre-
23 tionary budget authority’ does not include—

24 “(i) direct spending;

1 “(ii) budget authority in an appro-
2 priation law which funds direct spending
3 provided for in other law;

4 “(iii) any existing budget authority
5 canceled in an appropriation law; or

6 “(iv) any restriction, condition, or lim-
7 itation in an appropriation law or the ac-
8 companying statement of managers or
9 committee reports on the expenditure of
10 budget authority for an account, program,
11 project, or activity, or on activities involv-
12 ing such expenditure.

13 “(8) ITEM OF DIRECT SPENDING.—The term
14 ‘item of direct spending’ means any provision of law
15 that results in an increase in budget authority or
16 outlays for direct spending relative to the most re-
17 cent levels calculated consistent with the method-
18 ology used to calculate a baseline under section 257
19 of the Balanced Budget and Emergency Deficit Con-
20 trol Act of 1985 and included with a budget submis-
21 sion under section 1105(a) of title 31, United States
22 Code, in the first year or the 5-year period for which
23 the item is effective. However, such item does not in-
24 clude an extension or reauthorization of existing di-

1 rect spending, but instead only refers to provisions
2 of law that increase such direct spending.

3 “(9) LIMITED TARIFF BENEFIT.—The term
4 ‘limited tariff benefit’ means any provision of law
5 that modifies the Harmonized Tariff Schedule of the
6 United States in a manner that benefits 10 or fewer
7 entities (as defined in paragraph (12)(B)).

8 “(10) OMB.—The term ‘OMB’ means the Di-
9 rector of the Office of Management and Budget.

10 “(11) OMNIBUS RECONCILIATION OR APPRO-
11 PRIATION MEASURE.—The term ‘omnibus reconcili-
12 ation or appropriation measure’ means—

13 “(A) in the case of a reconciliation bill, any
14 such bill that is reported to its House by the
15 Committee on the Budget; or

16 “(B) in the case of an appropriation meas-
17 ure, any such measure that provides appropria-
18 tions for programs, projects, or activities falling
19 within 2 or more section 302(b) suballocations.

20 “(12) TARGETED TAX BENEFIT.—(A) The term
21 ‘targeted tax benefit’ means any revenue-losing pro-
22 vision that provides a Federal tax deduction, credit,
23 exclusion, or preference to ten or fewer beneficiaries
24 (determined with respect to either present law or
25 any provision of which the provision is a part) under

1 the Internal Revenue Code of 1986 in any year for
2 which the provision is in effect;

3 “(B) for purposes of subparagraph (A)—

4 “(i) all businesses and associations
5 that are members of the same controlled
6 group of corporations (as defined in sec-
7 tion 1563(a) of the Internal Revenue Code
8 of 1986) shall be treated as a single bene-
9 ficiary;

10 “(ii) all shareholders, partners, mem-
11 bers, or beneficiaries of a corporation,
12 partnership, association, or trust or estate,
13 respectively, shall be treated as a single
14 beneficiary;

15 “(iii) all employees of an employer
16 shall be treated as a single beneficiary;

17 “(iv) all qualified plans of an em-
18 ployer shall be treated as a single bene-
19 ficiary;

20 “(v) all beneficiaries of a qualified
21 plan shall be treated as a single bene-
22 ficiary;

23 “(vi) all contributors to a charitable
24 organization shall be treated as a single
25 beneficiary;

1 “(vii) all holders of the same bond
2 issue shall be treated as a single bene-
3 ficiary; and

4 “(viii) if a corporation, partnership,
5 association, trust or estate is the bene-
6 ficiary of a provision, the shareholders of
7 the corporation, the partners of the part-
8 nership, the members of the association, or
9 the beneficiaries of the trust or estate shall
10 not also be treated as beneficiaries of such
11 provision;

12 “(C) for the purpose of this paragraph, the
13 term ‘revenue-losing provision’ means any pro-
14 vision that is estimated to result in a reduction
15 in Federal tax revenues (determined with re-
16 spect to either present law or any provision of
17 which the provision is a part) for any one of the
18 two following periods—

19 “(i) the first fiscal year for which the
20 provision is effective; or

21 “(ii) the period of the 5 fiscal years
22 beginning with the first fiscal year for
23 which the provision is effective;

1 “(D) the term ‘targeted tax benefit’ does
 2 not include any provision which applies uni-
 3 formly to an entire industry; and

4 “(E) the terms used in this paragraph
 5 shall have the same meaning as those terms
 6 have generally in the Internal Revenue Code of
 7 1986, unless otherwise expressly provided.

8 “EXPIRATION

9 “SEC. 1018. This title shall have no force or effect
 10 on or after October 1, 2012”.

11 **SEC. 3. TECHNICAL AND CONFORMING AMENDMENTS.**

12 (a) EXERCISE OF RULEMAKING POWERS.—Section
 13 904 of the Congressional Budget Act of 1974 (2 U.S.C.
 14 621 note) is amended—

15 (1) in subsection (a), by striking “1017” and
 16 inserting “1012”; and

17 (2) in subsection (d), by striking “section
 18 1017” and inserting “section 1012”.

19 (b) ANALYSIS BY CONGRESSIONAL BUDGET OF-
 20 FICE.—Section 402 of the Congressional Budget Act of
 21 1974 is amended by inserting “(a)” after “402.” and by
 22 adding at the end the following new subsection:

23 “(b) Upon the receipt of a special message under sec-
 24 tion 1011 proposing to cancel any item of direct spending,
 25 the Director of the Congressional Budget Office shall pre-
 26 pare an estimate of the savings in budget authority or out-

1 lays resulting from such proposed cancellation relative to
 2 the most recent levels calculated consistent with the meth-
 3 odology used to calculate a baseline under section 257 of
 4 the Balanced Budget and Emergency Deficit Control Act
 5 of 1985 and included with a budget submission under sec-
 6 tion 1105(a) of title 31, United States Code, and transmit
 7 such estimate to the chairmen of the Committees on the
 8 Budget of the House of Representatives and Senate.”.

9 (c) CLERICAL AMENDMENTS.—(1) Section 1(a) of
 10 the Congressional Budget and Impoundment Control Act
 11 of 1974 is amended by striking the last sentence.

12 (2) Section 1022(c) of such Act (as redesignated) is
 13 amended is amended by striking “rescinded or that is to
 14 be reserved” and insert “canceled” and by striking
 15 “1012” and inserting “1011”.

16 (3) TABLE OF CONTENTS.—The table of contents set
 17 forth in section 1(b) of the Congressional Budget and Im-
 18 poundment Control Act of 1974 is amended by deleting
 19 the contents for parts B and C of title X and inserting
 20 the following:

“PART B—LEGISLATIVE LINE-ITEM VETO

- “Sec. 1011. Line item veto authority.
- “Sec. 1012. Procedures for expedited consideration.
- “Sec. 1013. Presidential deferral authority.
- “Sec. 1014. Identification of targeted tax benefits.
- “Sec. 1015. Treatment of cancellations.
- “Sec. 1016. Reports by comptroller general.
- “Sec. 1017. Definitions.
- “Sec. 1018. Expiration.
- “Sec. 1019. Suits by Comptroller General.
- “Sec. 1020. Proposed Deferrals of budget authority.”.

1 (d) **EFFECTIVE DATE.**—The amendments made by
2 this Act shall take effect on the date of its enactment and
3 apply only to any dollar amount of discretionary budget
4 authority, item of direct spending, or targeted tax benefit
5 provided in an Act enacted on or after the date of enact-
6 ment of this Act.

7 **SEC. 4. SENSE OF CONGRESS ON ABUSE OF PROPOSED**
8 **CANCELLATIONS.**

9 It is the sense of Congress no President or any execu-
10 tive branch official should condition the inclusion or exclu-
11 sion or threaten to condition the inclusion or exclusion of
12 any proposed cancellation in any special message under
13 this section upon any vote cast or to be cast by any Mem-
14 ber of either House of Congress.

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